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December 5, 2008

By Hand Delivery

Blessing N. Chukwu
Executive Consultant III
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

Arizona Corporation Commission

DOCKETED

DEC -5 2008

DOCKETED BY	
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Re: Cross Creek Ranch Community Association – Application for
Adjudication Not a Public Service Corporation, Docket Nos. W-20619A-
08-0470: **Response to Letter of Insufficiency**

Dear Ms. Chukwu:

I am in receipt of your letter of insufficiency dated November 28, 2008, concerning the above-referenced matter. Pursuant to our discussions this week, I am enclosing revised drafts of the Cross Creek Ranch Community Association's ("CCRCA") Bylaws and Conditions, Covenants & Restrictions ("CC&Rs") that comply with your requested modifications. As you are aware, the authority sought by CCRCA in this proceeding, if approved, will grant my client the right to provide domestic water service directly to its members. However, until such approval is granted by the Commission, any modified provisions in the Bylaws and CC&Rs concerning the provision of domestic water service to CCRCA members will have no force and effect. Therefore, recording these documents prior to such Commission approval would not be appropriate as a matter of law.

Enclosed herein as **Attachment No. 1** is a proposed draft First Amendment to the CCRCA's Bylaws. In accordance with your November 28, 2008 letter, the First Amendment mirrors the language currently found in Paragraphs 7 and 8 of the First Amendment to the Declaration.

Enclosed herein as **Attachment No. 2** is a draft Second Amendment to the CC&Rs. Section 1.29 of the Declaration will be amended, upon requisite approvals, by adding the following sentence:

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Blessing N. Chukwu

December 5, 2008

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"Membership in the Association shall be limited to 84 Members, actual or potential. The Association shall only provide domestic water services to the 84 Members, actual or potential, also known as water customers."

I trust that with these proposed draft changes to the relevant documents, the above-referenced application will meet Staff's sufficiency requirements. If you have any further questions or concerns, please do not hesitate to contact me at your earliest convenience. Thank you for your time and consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'PJ Black', with a long horizontal line extending to the right.

Patrick J. Black

cc: Docket Control
Paul Frieder
Ed Hanley

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ATTACHMENT

NO. 1

**FIRST AMENDMENT
TO
THE BYLAWS
OF
CROSS CREEK RANCH COMMUNITY ASSOCIATION**

The Bylaws of CROSS CREEK RANCH COMMUNITY ASSOCIATION., an Arizona nonprofit corporation, adopted August 13, 2002 (the "Bylaws"), are hereby amended as follows:

1. Article 1, General Provisions of the Bylaws are hereby amended by providing:

"1.9 Membership. Membership in the Association shall be limited to 84 Members, actual or potential. The Association shall only provide domestic water services to the 84 Members, actual or potential, also known as water customers ("Water Customers")."

2. The Bylaws are hereby amended by adding the following as Article 7:

ARTICLE 7, WATER CUSTOMERS

7.1 Domestic Water Services Limitations. The Association shall provide domestic water services pursuant to the terms and conditions of the Declaration, which is expressly limited the 84 Water Customers, actual or potential. Therefore, in accordance with Section 3.20 of the Declaration as amended, no Lot shall be further subdivided or separated into smaller lots or parcels by any Owner and no portion less than all of any such Lot shall be conveyed or transferred by any Owner. No additional real property lying outside of the existing boundary for Cross Creek Ranch as originally shown on the Plat shall ever be annexed into Cross Creek Ranch. Two or more Lots shall not be combined into fewer Lots than originally shown on the Plat. No further covenants, conditions, restrictions or easements shall be Recorded by any Owner, Lessee, or other Person other than the Board on behalf of the Association against any part of the property without the provisions thereof having been first approved in writing by the Architectural Review Committee. No application for rezoning, variances or use permits pertaining to any Lot shall be filed with any governmental authority by any Person other than by the Board of the Association with the prior written approval of the Architectural review Committee and the proposed use otherwise complies with the Declaration.

7.2 Water Customer Votes. In accordance with Section 5.7 of the Declaration as amended, each Water Customer, as an Owner of one or more Lots in Cross Creek Ranch, shall only be entitled to one (1) vote per Owner regardless of the number of Lots owned in Cross Creek Ranch on any vote concerning the operation, maintenance, replacement and repair of the Water System or any Water System Operating Assessment or any Vacant Lot Water Assessment or similar Water System related issue (a "Water System Vote").

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3. Except as modified by this First Amendment, all terms and provisions of the Bylaws shall remain in full force and effect.

CERTIFICATE OF ADOPTION

The undersigned, being the duly elected, qualified and acting Secretary of Cross Creek Ranch Community Association., an Arizona nonprofit corporation, hereby certifies that the foregoing First Amendment to Bylaws was duly adopted pursuant to action by the Board of Directors at a meeting on _____, 2009.

By: _____
_____, Secretary

ATTACHMENT

NO. 2

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pWHEN RECORDED, RETURN TO:

FENNEMORE CRAIG, P.C.
Attn: Joseph Chandler, Esq.
3003 North Central Avenue
Suite 2600
Phoenix, AZ 85012-2913

SECOND AMENDMENT

TO

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

FOR

CROSS CREEK RANCH

IN

SEDONA, ARIZONA

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THIS SECOND AMENDMENT ("Amendment") to Declaration of Covenants, Conditions and Restrictions for Cross Creek Ranch is made this ____ day of _____, _____ (the "Effective Date") by the Board of Directors of the Cross Creek Ranch Community Association, an Arizona non-profit corporation.

RECITALS

A. Cross Creek Ranch is subdivision located in Sedona, Arizona ("Cross Creek Ranch"), the boundaries of which are shown on the Plat recorded in Book 48 of Maps and Plats, Pages 8 – 14, Official Records of Yavapai County Recorder, Yavapai County, Arizona (the "Plat").

B. Cross Creek Ranch is governed by that certain Declaration of Covenants, Conditions and Restrictions for Cross Creek Ranch dated June 19, 2003 and recorded on July 1, 2003 as Instrument No. 3599928 in Book 4047, Page 427, Official Records of Yavapai County Recorder, Yavapai County, Arizona, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Cross Creek Ranch dated May 15, 2008 and recorded on _____ as Instrument No. _____ in the Official Records of Yavapai County Recorder, Yavapai County, Arizona (as so amended, the "Declaration").

C. Cross Creek Ranch Community Association is an Arizona nonprofit corporation (the "Association") organized to administer and enforce the Project Documents, including the Declaration.

D. At a duly noticed and called _____, _____ Special Meeting of the Association, the requisite majority of the Members of the Association voted to authorize the Board of Directors to amend the Declaration to, among other things, clarify that Membership in the Association, and number of domestic water customers, is limited to 84 Members, actual or potential as of the Effective Date of this Second Amendment.

AMENDMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, and the other terms and conditions set forth in this Second Amendment, the Board of Directors of the Association with the requisite majority authorization of the Members of the Association hereby amend the Declaration as of the Effective Date as follows:

1. Defined Terms and Recitals. The foregoing Recitals are incorporated herein by this reference. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such term in the Declaration.

2. Limitation of Membership. Section 1.29 of the Declaration is hereby amended by adding the following sentence:

"Membership in the Association shall be limited to 84 Members, actual or potential. The Association shall only provide domestic water

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services to the 84 Members, actual or potential, also known as water customers.”

3. Miscellaneous. Except as amended by this Amendment, the Declaration remains in full force and effect. To the extent that the Declaration and this Amendment conflict, this Amendment shall govern and control. This Amendment shall be governed by and construed in accordance with the laws of the State of Arizona.

DATED as of the Effective Date.

**THE CROSS CREEK RANCH
COMMUNITY ASSOCIATION**, an
Arizona nonprofit corporation

By: _____

Name: _____

Its: President

Witnessed and Attested:

By: _____

Name: _____

Its: Secretary

STATE OF ARIZONA)

) ss.

COUNTY OF YAVAPAI)

The foregoing instrument was executed before me this ____ day of _____, 20____, by _____ the President of the Cross Creek Ranch Community Association, an Arizona nonprofit corporation, on behalf of said nonprofit corporation.

Notary Public

My Commission Expires:
